Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

In the Matter of	)	
	)	
BellSouth Corporation	)	
	)	
Petition for Rulemaking to Change the Distribution Methodology for Shared Local Number Portability and Thousands-Block Number Pooling Costs	)	RM-11299
	)	
	)	

UNITED STATES TELECOM ASSOCIATION
REPLY TO OPPOSITIONS TO
BELLSOUTH CORPORATION PETITION FOR RULEMAKING

INTRODUCTION

There is sufficient debate regarding the best method for distributing shared local number portability (LNP) and thousands-block number pooling costs to warrant a rulemaking proceeding to explore the issue. Furthermore, the changed telecommunications landscape warrants opening a rulemaking proceeding. Therefore, the United States Telecom Association[1] (USTelecom) again urges the Federal Communications Commission (Commission) to grant the Petition for Rulemaking[2] filed by BellSouth Corporation (BellSouth) and initiate a rulemaking proceeding immediately to consider a new method for distributing these shared costs.

---

[1] USTelecom is the premier trade association representing service providers and suppliers for the telecommunications industry. USTelecom members provide a full array of services, including broadband, voice, data, and video over wireline and wireless networks.
[2] BellSouth Corporation Petition for Rulemaking to Change the Distribution Methodology for Shared Local Number Portability and Thousands-Block Number Pooling Costs (filed Nov. 3, 2005) (BellSouth Petition).

DISCUSSION

The debate regarding the best method for distributing LNP and thousands-block number pooling shared costs warrants a rulemaking proceeding to explore the issue. Six parties supported the BellSouth Petition,[3] and eight parties opposed it.[4] USTelecom and other parties supporting the request for a rulemaking argue that changes in market conditions during the past decade justify opening a rulemaking.[5] Furthermore, they argue that the Commission's original reasons for supporting the current method of allocating shared industry costs for LNP and pooling based on end-user revenues no longer apply.[6] Finally, they would agree that the Commission has the legal authority and obligation to adopt a different cost-allocation mechanism based on changed market conditions and experience and should, therefore, initiate a rulemaking.[7] Those opposing the request for a rulemaking argue that BellSouth should continue to have to pay a disproportionate share for other's porting and pooling activities because all carriers benefit from the availability and maintenance of an accurate number portability database.[8] USTelecom does not believe that BellSouth and other USTelecom member companies should continue to have to pay for industry-wide pooling and porting at a level that far exceeds the benefits it

---

[3] Those filing in support of the petition were Qwest Corporation (Qwest), Verizon, AT&T Inc. (AT&T), IDT Telecom, Inc., National Telecommunications Cooperative Association (NTCA), and USTelecom.
[4] Those filing in opposition to the petition were T-Mobile USA, Inc., Time Warner Telecom, Inc., Cox Communications, Inc., COMPTEL, XO Communications Services (XO), Inc., Xspedius Communications, LLC, Integra Telecom, and Connecticut Department of Public Utility Control.
[5] *See*, *e.g.*, USTelecom Comments at 2-3, NTCA Comments at 2, Qwest Comments at 3-4, Verizon at 2-5.
[6] *See, e.g.*, USTelecom Comments at 3-4, Qwest comments at 3, Verizon Comments at 8-10, AT&T Comments at 2-3.
[7] USTelecom Comments at 4-5.
[8] *See, e.g.,* COMPTEL Comments at 3, Cox Comments at 7, T-Mobile Comments at 10.

receives from those databases.[9] Because there is substantial disagreement regarding the relative benefits and burdens conferred by the current mechanism for distributing shared costs, USTelecom again asks the Commission to open the rulemaking proceeding to examine the shared-cost distribution mechanism.

The changed telecommunications landscape warrants opening a rulemaking proceeding. USTelecom and other supporters of the BellSouth Petition disagree with wireline competitive local exchange carriers (CLECs) who oppose the BellSouth Petition on grounds of insufficient competition.[10] The telecommunications landscape has changed dramatically since 1998 when the Commission adopted the revenues-based distribution method for LNP costs. As AT&T points out, "CLECs are no longer in their infancy" and are viable competitors to incumbent local exchange carriers and other providers.[11] In addition to the maturation of the CLEC industry, the growth of the wireless industry and IP-based services competing with wireline offerings have led to strong competition in the local services market. This competition along with increased participation in thousands-block number pooling, escalating shared LNP and pooling costs, and asymmetric cost burdens weigh heavily in favor of re-examining the Commission's cost-distribution rules in a rulemaking proceeding.

[9] *See* BellSouth Petition at 23. During January –September 2005, BellSouth paid more than 20 percent of the Southeast region's shared costs even though it generated only about two percent of the billable transactions in that region. *See also* Verizon Comments at 5. In the first three quarters of 2005, Verizon generated fewer than 800,000 transactions, which was less than one percent of the industry total. Nevertheless, Verizon estimated its expected total allocated costs for 2005 to exceed $18,000,000—almost triple its 2001 allocation.
[10] *See, e.g.*, XO Comments at 9, saying that actual data reflects a market in which CLECs continue to struggle for their place in the local services market.
[11] AT&T Comments at 4.

CONCLUSION

Because of the strong disagreement regarding the best method for distributing LNP and thousands-block number pooling shared costs and the drastic changes in the telecommunications market, USTelecom again urges the Commission to grant the BellSouth Petition. The Commission should initiate a rulemaking proceeding immediately to examine the existing shared-cost distribution method for LNP and thousands block number pooling and consider new methods of allocating shared LNP and pooling costs among providers.

Respectfully submitted,

UNITED STATES TELECOM ASSOCIATION

By: ______________________________

James W. Olson
Indra Sehdev Chalk
Jeffrey S. Lanning
Robin E. Tuttle

Its Attorneys

607 14th Street, NW
Suite 400
Washington, DC 20005
(202) 326-7300

February 6, 2006